

# Realistic Child Support Policies that Support Successful Re-entry

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# Why Deal With Child Support?

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- ❑ 55% of state inmates are parents.
- ❑ 1/2 of parents in prison have an open child support case.
- ❑ In open child support cases, 1/2 have a support order and 1/2 are waiting for paternity or support order.
- ❑ On average, parents owe \$10,000 entering prison and \$20,000+ upon release.



# Deal with Child Support to Keep Fathers Above Ground

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- There is evidence that increased incarceration *and* stronger child support enforcement contribute to the decline in employment by less-educated African-American young men.
- When a parent goes to prison, family income often drops. *Even though their families need the money, most parents in prison can not afford to pay significant support.*
- *Bottom Line:* Help re-entering fathers maintain employment and avoid illegal income generation by managing child support obligations and strengthening link between parents and children.



# Participation in Child Support Program

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- ❑ 60 percent of all children living in single-parent households participated in the child support program in 2001.
- ❑ 84% of poor single-parent families participated in the program in 2001 (87% of African-American and 82% of Hispanic poor single parent families).
- ❑ 17 million children participated in the program in 2005.



# Child Support is an Important Part of Family Income

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- ❑ In 2005, the child support programs collected \$23 billion.
- ❑ Half of cases in the program had support payments in 2005. Of these cases, 30% of current TANF families, 54% of former TANF families, and 60% of families who never received TANF had payments.
- ❑ According to Urban Institute, 36% of poor single parent families receive child support. For those poor families that receive it, child support is 1/3 of family income.



# States Withhold Some Child Support Under TANF Distribution Rules

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- ❑ Originally, the child support program was created as welfare cost recovery mechanism. When families apply for TANF assistance, they sign over their child support rights to the state.
- ❑ Current and former TANF families do not receive all of the support collected on their behalf.
- ❑ The government withholds \$2 billion in support payments per year--\$1.1 billion sent to federal treasury and \$911 million retained by states.



# Federal Funding Cut

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- A 20% federal funding cut in Deficit Reduction Act (DRA) effective October 1, 2007. The Congressional Budget Office estimates that states will lose \$4.9 billion in federal funds over next 10 years.
- CBO expects that \$8.4 billion in child support payments will go uncollected, assuming that states replace half the funds. The cuts will likely affect the poorest families and result in more erratic enforcement.
- Expect cuts to fatherhood and re-entry initiatives that help fathers get jobs.



# Child Support and Work

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- Typical support orders range from \$250-\$300+ per month, more for multiple families.
- Most child support is collected involuntarily through payroll deductions. *The main way to avoid child support is to avoid formal employment.*
- Some poor fathers respond to child support pressures by “hustling” – making money by entering the underground economy.



# Link Between Child Support Debt and the Underground Economy

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Fathers enter the underground economy to:

- ❑ increase ability to pay ongoing support
- ❑ satisfy purge payments
- ❑ meet parole conditions
- ❑ avoid incarceration for non-payment
- ❑ avoid payroll deductions
- ❑ avoid TANF distribution rules that allow states to keep payments



# Eight Child Support Strategies

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1. Assess parental status and child support near prison intake.
2. Participate in child support process during prison.
3. Help maintain parent-child contact during prison.
4. Set realistic initial orders.
5. Reduce or suspend orders during prison.
6. Manage child support debt after prison.
7. Provide post-prison child support services.
8. Distribute payments to families



# Strategy #1: Assessing Parent Status at Prison Intake

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- ❑ Prisons do not generally identify parental status.
- ❑ Assessment can identify prison programming needs, safety, and child support status.
- ❑ Knowing parental status is important for post-release planning.
- ❑ A few states have computer interfaces between corrections and child support agencies.



## Strategy #2: Participating in Child Support Process During Prison

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- ❑ While parent is incarcerated, the child support agency may establish paternity (parent-child legal relationship) or child support default orders.
- ❑ Incarcerated parents should be offered free genetic tests before establishing paternity.
- ❑ Incarcerated parents should receive notice and opportunity to participate.
- ❑ Telephone hearings can provide access.



## Strategy #3: Supporting Parent-Child Contact and Engagement

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- ❑ Work and family are key to successful re-entry. Many parents are powerfully motivated to do right by their children.
- ❑ Most parents are incarcerated 100 miles or more away from their children. Maintaining regular parent-child contact during prison is important to parents and children.
- ❑ Parenting and couples education can help prepare inmates for family re-unification.



## Strategy #4: Setting Realistic Orders

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When child support orders are established:

- ❑ Parents often misunderstand the process.
- ❑ Parents often fail to show up, resulting in default orders.
- ❑ Parents often do not have a meaningful opportunity to tell their story.
- ❑ Policies do not adequately address low-income families and fathers.



# Setting Realistic Orders (cont')

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- ❑ Every state has numeric child support guidelines. Guidelines must be reviewed every 4 years. (42 U.S.C. 667)
- ❑ Child support is supposed to be based on “ability to pay,” but policies sometimes do not result in realistic orders when parents are low-income and there is not enough money to go around.
- ❑ 50-65% of a paycheck can be withheld to comply with a child support order under Consumer Credit Protection Act. (15 U.S.C. 1673)



# Setting Realistic Orders (cont')

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Other typical guidelines policies:

- ❑ Incarceration is treated as “voluntary unemployment.”
- ❑ When parents do not work, full-time, full- year, income is assumed (“imputed”).
- ❑ Sometimes, retroactive support, interest, welfare debt, Medicaid childbirth costs, are added to the basic order.
- ❑ Multiple family cases are not coordinated.



# Setting Realistic Orders (cont')

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## Recommendations:

- ❑ Eliminate “voluntary unemployment” policy.
- ❑ Limit use of default orders and imputed income.
- ❑ Include self-support reserve.
- ❑ Represent low-income parents in guidelines policy review process.
- ❑ Limit interest, retroactive support, and other charges for low-income parents.
- ❑ Coordinate multiple family cases.
- ❑ Use administrative processes to increase participation.
- ❑ Engage CBOs in more intensive child support case management.



## Strategy #5: Reduce or Suspend Orders During Incarceration

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- ❑ All states have review and adjustment (modification) procedures (42 U.S.C. 666(a)(10)).
- ❑ Order can be adjusted or suspended on case-by-case basis or automatically.
- ❑ Order should be adjusted or suspended at prison intake to prevent arrears build-up and reviewed again after release.



# Reduce or Suspend Orders During Incarceration (cont')

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## Examples:

**North Carolina** has a law that allows child support orders to be suspended when a parent is incarcerated (General Statute 50-13.10(d)).

**Massachusetts** child support staff meet with inmates at intake, file a modification request, and suspend enforcement. After release, a court hearing is scheduled to review and potentially reduce the obligation.

## Reduce or Suspend Orders During Incarceration (cont')

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**Oregon** has established a rebuttable presumption that an incarcerated parent with income of less than \$200 per month is unable to pay any support. The state will reduce an order to zero if requested, meets with inmates, and supplies pre-paid envelopes. (Rule 137-055-3300).



## Strategy #6: Manage Child Support Debt

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- ❑ The “Bradley amendment” prohibits retroactive modification of support obligations (42 U.S.C. (a)(9)).
- ❑ However, states do have the authority to forgive, waive, suspend or “leverage” child support debt owed to the state to repay welfare, for example by tying forgiveness to work participation.
- ❑ Some states are testing arrears management approaches.

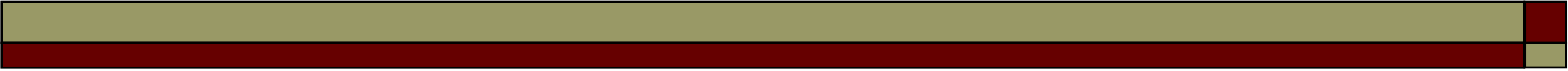


## Strategy #7: Provide Post-Prison Child Support Services

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Five goals for post-prison child support services:

- ☐ to help re-entering parents maintain employment.
- ☐ to establish steady and long-term child support payments, even if modest.
- ☐ to reconnect parent and child whenever in the child's best interests.
- ☐ to help prevent recidivism.
- ☐ to help prevent another generation from going to prison.

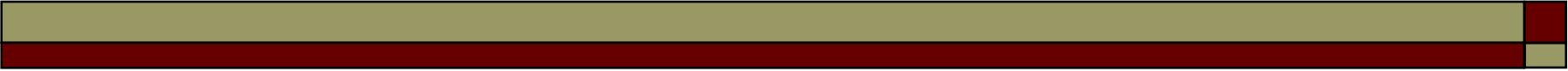


# Provide Post-Prison Child Support Services (cont')

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## Recommendations:

- ❑ CBOs providing employment, re-entry, fatherhood, or legal services should develop a child support case management component.
- ❑ Include families in case planning.
- ❑ Include services to resolve child access disputes.
- ❑ Develop collaborations among child support, judicial, legal, employment, corrections, and community supervision agencies.



# Provide Post-Prison Child Support Services (cont')

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The following policies should be reviewed:

- ❑ “purge payments”
- ❑ incarceration for non-payment
- ❑ parole conditions
- ❑ drivers license suspension
- ❑ credit bureau reporting
- ❑ cumulative financial obligations, such as restitution and incarceration-related charges.



## Strategy #8: Distribute Payments to Families

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- ❑ The Deficit Reduction Act provides options and financial incentives for states to increase the support passed through to current and former TANF families.
- ❑ States have the authority under the new law to pay nearly all of the support to families (“full distribution”).

# Distribute Payments to Families (cont.)

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Wisconsin research finds that when support is distributed (“passed through”) to TANF children:

- ❑ Fathers pay more support.
- ❑ Fathers work less in the underground economy.
- ❑ Fathers established paternity faster.
- ❑ Among families with regular support, couple conflict may be reduced.
- ❑ State cost fully offset by increased payments by fathers and reduced welfare use by families.



# A Few Resources

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- **Council of State Governments**, *Report of the Reentry Policy Council*, [www.reentrypolicy.org](http://www.reentrypolicy.org)
- **Urban Institute**, [www.urban.org](http://www.urban.org)
- **Center for Policy Research**, [www.centerforpolicyresearch.org](http://www.centerforpolicyresearch.org)
- **Public/Private Ventures**, *Leaving the Street: Young Fathers Move From Hustling to Legitimate Work*, [http://www.ppv.org/ppv/publications/assets/181\\_publication.pdf](http://www.ppv.org/ppv/publications/assets/181_publication.pdf)
- **CLASP**, *Every Door Closed: Barriers Facing Parents with Criminal Records* fact sheets, [http://www.clasp.org/publications/EDC\\_fact\\_sheets.pdf](http://www.clasp.org/publications/EDC_fact_sheets.pdf)
- **CLASP**, *Strategies for Preventing the Accumulation of Child Support Arrears*, [http://www.clasp.org/publications/strategies\\_for\\_child\\_support\\_arrears.pdf](http://www.clasp.org/publications/strategies_for_child_support_arrears.pdf)
- **CLASP**, *Boom Times A Bust: Declining Employment Among Less Educated Young Men*, [http://www.clasp.org/publications/Boom\\_Times.pdf](http://www.clasp.org/publications/Boom_Times.pdf)



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